

HOUSE BILL 534

G1

0lr1561

By: **Delegates Mosby and Cain**

Introduced and read first time: January 27, 2020

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2020

CHAPTER _____

1 AN ACT concerning

2 **Election Law – Campaign Finance Entities – Responsible Officers**

3 FOR the purpose of altering the definition of “responsible officers” for purposes of certain
4 provisions of law governing elections to include, for an authorized candidate
5 campaign committee, the candidate; requiring a candidate to appoint a chairman
6 and treasurer on a certain form to establish the candidate’s authorized candidate
7 campaign committee; requiring that the form used in appointing a chairman and
8 treasurer of an authorized candidate campaign committee be signed by the candidate
9 and include certain information regarding the candidate; requiring a candidate to
10 promptly appoint a new chairman or treasurer to fill a vacancy in accordance with
11 certain provisions of this Act; authorizing a candidate to remove the chairman or
12 treasurer of the candidate’s authorized candidate campaign committee in a certain
13 manner; authorizing the chairman of a certain political committee to appoint a new
14 treasurer in a certain manner if the incumbent treasurer fails to perform the duties
15 of the office but has not resigned; requiring the State Board of Elections to promptly
16 notify the incumbent treasurer in writing of the appointment of a new treasurer;
17 requiring the new treasurer to assume office within a certain period of time unless
18 the incumbent treasurer provides certain notice to the State Board before the
19 expiration of a certain period; requiring a treasurer who resigns or is removed to
20 provide the account books and related records of the political committee to the
21 chairman of the political committee within a certain period of time; prohibiting
22 certain family members and certain employees of a candidate from serving as the
23 treasurer of the candidate’s authorized candidate campaign committee; repealing
24 certain obsolete references to the “subtreasurer” of a political committee; repealing
25 a certain obsolete definition; defining certain terms; making conforming and stylistic

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



changes; providing for a delayed effective date; and generally relating to the responsible officers of campaign finance entities.

BY repealing and reenacting, without amendments,
Article – Election Law
Section 1–101(a), 13–214, and 15–102(a)
Annotated Code of Maryland
(2017 Replacement Volume and 2019 Supplement)

BY repealing and reenacting, with amendments,
Article – Election Law
Section 1–101(mm), 2–301, 13–207, 13–215, 13–246, 13–313(b), and 15–107(d)
Annotated Code of Maryland
(2017 Replacement Volume and 2019 Supplement)

BY repealing
Article – Election Law
Section 15–102(i)
Annotated Code of Maryland
(2017 Replacement Volume and 2019 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Election Law

1–101.

(a) In this article the following words have the meanings indicated unless a different meaning is clearly intended from the context.

(mm) “Responsible officers” means:

(1) FOR A POLITICAL COMMITTEE OTHER THAN AN AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE, the chairman and THE treasurer [of a political committee]; OR

(2) FOR AN AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE, THE CANDIDATE, THE CHAIRMAN, AND THE TREASURER.

2–301.

(a) This section applies to:

(1) a member of the State Board;

(2) a regular or substitute member of a local board;

(3) the State Administrator;

(4) an employee of the State Board or of a local board, including the election director of a board;

(5) counsel appointed under § 2–205 of this title; and

(6) an election judge.

(b) (1) An individual subject to this section may not, while holding the position:

(i) hold or be a candidate for any elective public or political party office or any other office created under the Constitution or laws of this State;

(ii) use the individual's official authority for the purpose of influencing or affecting the result of an election; or

(iii) except as provided in paragraph (2) of this subsection, as to any candidate or any matter that is subject to an election under this article:

1. be a campaign manager;

2. be a treasurer [or subtreasurer] for a campaign finance entity; or

3. take any other active part in political management or a political campaign.

(2) Notwithstanding paragraph (1)(iii) of this subsection, an election judge may engage in the activities of a political campaign, except:

(i) while performing official duties on election day; and

(ii) by serving as a campaign manager for a candidate or as the treasurer for a campaign finance entity.

13–207.

(a) This section applies to a political committee other than a political club.

(b) A political committee may not receive or disburse money or any other thing of value unless the political committee is established in accordance with the requirements of this section.

(c) **(1) (I)** To establish a political committee[:] **OTHER THAN AN AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE,**

[(1)] a chairman and a treasurer shall be appointed on a form that the State Board prescribes [and that is].

(II) TO ESTABLISH AN AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE, THE CANDIDATE SHALL APPOINT A CHAIRMAN AND A TREASURER ON A FORM THAT THE STATE BOARD PRESCRIBES.

(2) (I) A FORM USED IN APPOINTING A CHAIRMAN AND A TREASURER OF A POLITICAL COMMITTEE OTHER THAN AN AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE SHALL BE signed by the chairman and treasurer, **BE FILED WITH THE STATE BOARD,** and [includes] **INCLUDE:**

[(i)] 1. the residence addresses of the chairman and the treasurer;

[(ii)] 2. if the chairman and treasurer affirmatively consent to receiving notice under this title only by [electronic mail] **E-MAIL,** the [electronic mail] **E-MAIL** address of the chairman and the treasurer; and

[(iii)] 3. the information required by § 13–208 of this subtitle[; and

(2) the form shall be filed with the State Board].

(II) A FORM USED IN APPOINTING A CHAIRMAN AND A TREASURER OF AN AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE SHALL BE SIGNED BY THE CANDIDATE, THE CHAIRMAN, AND THE TREASURER, BE FILED BY THE STATE BOARD, AND INCLUDE:

1. THE RESIDENCE ADDRESSES OF THE CANDIDATE, THE CHAIRMAN, AND THE TREASURER;

2. IF THE CANDIDATE, THE CHAIRMAN, AND THE TREASURER AFFIRMATIVELY CONSENT TO RECEIVING NOTICE UNDER THIS TITLE ONLY BY E-MAIL, THE E-MAIL ADDRESSES OF THE CANDIDATE, THE CHAIRMAN, AND THE TREASURER; AND

3. THE INFORMATION REQUIRED BY § 13–208 OF THIS SUBTITLE.

(3) [The chairman or treasurer] **A RESPONSIBLE OFFICER** of a political committee shall notify the State Board of a change in the residence address of the [chairman or treasurer] **RESPONSIBLE OFFICER** no later than 21 days before the day on

1 which the political committee's next campaign finance report is due under § 13-309 of this
2 title.

3 (4) [The chairman or treasurer] **A RESPONSIBLE OFFICER** of a political
4 committee shall notify the State Board of a change in the [electronic mail] **E-MAIL** address
5 of the [chairman or treasurer] **RESPONSIBLE OFFICER** by the date specified in paragraph
6 (3) of this subsection if the [chairman and treasurer] **RESPONSIBLE OFFICERS** of the
7 political committee have affirmatively consented to receiving notice under this title only by
8 [electronic mail] **E-MAIL**.

9 (d) (1) A chairman or treasurer of a political committee may resign by
10 completing a resignation form that the State Board prescribes and filing the form with the
11 State Board.

12 (2) (I) If a vacancy occurs in the office of chairman or the office of
13 treasurer **OF A POLITICAL COMMITTEE OTHER THAN AN AUTHORIZED CANDIDATE**
14 **CAMPAIGN COMMITTEE**, the political committee promptly shall appoint a new chairman
15 or treasurer in accordance with this section.

16 (II) **IF A VACANCY OCCURS IN THE OFFICE OF CHAIRMAN OR**
17 **THE OFFICE OF TREASURER OF AN AUTHORIZED CANDIDATE CAMPAIGN**
18 **COMMITTEE, THE CANDIDATE PROMPTLY SHALL APPOINT A NEW CHAIRMAN OR**
19 **TREASURER IN ACCORDANCE WITH THIS SECTION.**

20 (3) A political committee may not receive or disburse money or any other
21 thing of value if there is a vacancy in the office of chairman or the office of treasurer.

22 (E) (1) **A CANDIDATE MAY REMOVE THE CHAIRMAN OR THE TREASURER**
23 **OF THE CANDIDATE'S AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE BY**
24 **COMPLETING THE FORM THAT THE STATE BOARD PRESCRIBES AND FILING THE**
25 **FORM WITH THE STATE BOARD.**

26 (2) (I) **IF THE INCUMBENT TREASURER OF A POLITICAL**
27 **COMMITTEE OTHER THAN AN AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE**
28 **FAILS TO PERFORM THE DUTIES OF THE OFFICE BUT HAS NOT RESIGNED BY FILING**
29 **A RESIGNATION FORM UNDER SUBSECTION (D)(1) OF THIS SECTION, THE CHAIRMAN**
30 **OF THE POLITICAL COMMITTEE MAY APPOINT A NEW TREASURER BY COMPLETING**
31 **THE FORM THAT THE STATE BOARD PRESCRIBES AND FILING THE FORM WITH THE**
32 **STATE BOARD.**

33 (II) **THE STATE BOARD PROMPTLY SHALL NOTIFY THE**
34 **INCUMBENT TREASURER IN WRITING OF THE APPOINTMENT OF A NEW TREASURER**
35 **UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.**

(III) THE NEW TREASURER SHALL ASSUME OFFICE WITHIN 30 DAYS AFTER THE CHAIRMAN FILES THE FORM REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH UNLESS THE INCUMBENT TREASURER NOTIFIES THE STATE BOARD IN WRITING BEFORE THE EXPIRATION OF THE 30-DAY PERIOD THAT THE INCUMBENT TREASURER WILL RESUME PERFORMANCE OF THE DUTIES OF THE OFFICE.

(F) A TREASURER WHO RESIGNS UNDER SUBSECTION (D)(1) OF THIS SECTION OR IS REMOVED UNDER SUBSECTION (E) OF THIS SECTION SHALL PROVIDE THE ACCOUNT BOOKS AND RELATED RECORDS OF THE POLITICAL COMMITTEE TO THE CHAIRMAN OF THE POLITICAL COMMITTEE WITHIN 5 BUSINESS DAYS AFTER THE TREASURER RESIGNS OR IS REMOVED.

13-214.

(a) The responsible officers of a campaign finance entity are jointly and severally responsible for:

(1) filing all campaign finance reports in full and accurate detail; and

(2) except as otherwise provided in this title, all other actions of the entity.

(b) Notice shall be provided to a campaign finance entity by serving the responsible officers.

(c) The State Board satisfies all notice requirements under this title by sending notices to the addresses provided by the responsible officers of a campaign finance entity under § 13-207(c) of this subtitle.

13-215.

(a) Each chairman, treasurer, and campaign manager shall be a registered voter of the State.

(b) (1) Subject to paragraph (2) of this subsection, a candidate may not act:

(i) as the treasurer of a campaign finance entity of the candidate; or

(ii) with respect to any other campaign finance entity:

1. as the campaign manager or treasurer; or

2. in any other position that exercises general overall responsibility for the conduct of the entity.

(2) (i) An incumbent member of a central committee who is a candidate for election to party office may act as the treasurer of that central committee.

(ii) With respect to any campaign finance entity other than the candidate's own campaign finance entity, a candidate for delegate to the Democratic National Convention or a candidate for delegate to the Republican National Convention may act:

1. as the campaign manager or treasurer; or

2. in any other position that exercises general overall responsibility for the conduct of the entity.

(C) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) "BUSINESS ENTITY" MEANS A PERSON ENGAGED IN BUSINESS, WHETHER PROFIT OR NONPROFIT, REGARDLESS OF FORM.

(III) "EMPLOYEE" MEANS AN INDIVIDUAL WHO IS ENGAGED BY ANOTHER PERSON TO WORK FOR A WAGE, SALARY, OR OTHER COMPENSATION.

(IV) "FAMILY MEMBER" MEANS A:

1. SPOUSE;

2. PARENT;

3. CHILD;

4. SIBLING;

5. GRANDPARENT;

~~4.~~ 6. GRANDCHILD;

~~5.~~ 7. AUNT;

~~6.~~ 8. UNCLE;

~~7.~~ 9. NIECE;

~~8.~~ 10. NEPHEW; OR

~~9.~~ 11. FIRST COUSIN.

(2) THE FOLLOWING INDIVIDUALS MAY NOT SERVE AS THE TREASURER OF A CANDIDATE'S AUTHORIZED CANDIDATE CAMPAIGN COMMITTEE:

(I) A FAMILY MEMBER RELATED BY BLOOD, MARRIAGE, OR ADOPTION TO THE CANDIDATE; OR

(II) AN EMPLOYEE OF THE CANDIDATE, INCLUDING AN EMPLOYEE OF A BUSINESS ENTITY WHOLLY OWNED BY THE CANDIDATE.

[(c)] (D) Subject to **[subsection]** SUBSECTIONS (b) AND (C) of this section, the chairman, treasurer, or campaign manager of a campaign finance entity may serve as the chairman, treasurer, or campaign manager of another campaign finance entity.

13-246.

A person who claims that money is due from a campaign finance entity shall present a claim for payment to the treasurer **[or subtreasurer]** not later than 30 days after the election for which the liability was incurred.

13-313.

(b) The termination of a campaign finance entity under this section does not limit the right of:

(1) the State Board, or the State Prosecutor or the State's Attorney, to pursue an enforcement action against the former responsible officers of~~], or any candidate formerly affiliated with,~~ the campaign finance entity; or

(2) a creditor to bring an action against the former responsible officers of~~], or any candidate affiliated with,~~ the campaign finance entity.

15-102.

(a) In this title the following words have the meanings indicated.

[(i)] (1) "Treasurer" has the meaning stated in § 1-101 of this article.

(2) "Treasurer" includes a subtreasurer.]

15-107.

(d) The **[members of a gubernatorial ticket and the]** responsible officers of **[its]** **THE** campaign finance entity **OF A GUBERNATORIAL TICKET** are jointly and severally personally liable for repaying to the Comptroller any part of a public contribution that is not spent or that was spent in violation of subsection (a) of this section.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 January 1, 2021.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.